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Report Highlights:

The Spanish 2001/02 citrus crop is expected to reach 5.3 million tons, almost the same as last year. While recent unseasonably heavy rains in production areas may push the crop even higher, continued rains could cause rot and insect problems and cause fruit to be destroyed. The harvest started earlier than usual as high temperatures in October hastened crop maturity.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Madrid [SP1], SP

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Executive Summary

According to official data, Spain's total 2001/02 citrus crop is forecast to reach 5.3 million tons, about two percent lower than last year. Orange and lemon production are expected to increase about one and five percent, respectively, while tangerines will decrease by seven percent. Industry sources say that the citrus crop will be similar or slightly higher than the 2000/2001 crop. In Castellon there is a decrease in area planted, because some groves planted to citrus are becoming industrial areas, and also because that region is affected by tristeza. High temperatures in May affected the regular setting of the fruit. Hailstorms in early May damaged the trees. High temperatures in October and beginning of November contributed to an early ripening of fruit. Warm weather also increased the presence of Mediterranean fruit fly. This will disappear if temperatures go down. There is no lack of water in the reservoirs due to abundant rains in the Levant area during the past two seasons, and no water shortages are expected during the next crop either. Rains during November will help to increase fruit size of late varieties during the current campaign, but farmers were worried that some fruit in this crop might rot on trees due to high humidity. Total area devoted to citrus production remains relatively constant, with some orange area being replaced by tangerine groves. Production in Valencia (about 66 percent of output) continues to account for the majority of Spain's citrus crop, followed by Andalucia and Murcia.

Total Spanish citrus exports during calendar year 2000 were 3.3 million metric tons, almost 18 percent higher than the previous year. About 80 percent is exported to other EU countries. With a higher expected crop, total citrus exports are forecast to increase slightly as there is more demand in the internal market.

As Spain is a major citrus producer and exporter, U.S. citrus exporters have few market opportunities in Spain. Orange juice consumption, however, continues to grow, and U.S. juice exporters may find opportunities in Spain.

NOTE: Current exchange rate is 189 pesetas/\$1.00
1 ECU = 166.38 pesetas - \$0.90.

Production

Fresh Oranges

The 2001/02 orange crop is forecast at 2.7 million metric tons, about one percent higher than the previous season. There is adequate water availability in the "Levant" area along the Mediterranean coast. Rains in mid-October and November 2001, will help increase the size of some varieties and quality of the fruit, consequently a higher crop than the official estimate should be expected. Nevertheless, the higher than average temperatures are increasing the risk of fruit fly. Producer prices for 2001/02 Navelina oranges in early November ranged from 300 to 350 pesetas (1.80-2.10 Euros) per "arroba" of 12.8 kilograms, compared to year-earlier prices of 400 to 450 pesetas. Spain continues to produce primarily table-type orange varieties, notably Navel oranges, which comprise approximately two-thirds of orange exports. Production of other varieties, with the exception of the Valencia Late and Salustiana, continues to decline, and are being replaced by tangerines.

Fresh Tangerines

The 2001/02 tangerine crop is estimated at 1.6 million metric tons, an eight percent decrease from the previous year. Clementine is still the most important tangerine variety, accounting for about 75 percent of total tangerine production. Like the orange crop, the tangerine crop this year suffered from the same weather conditions. Reportedly fruit quality and size are good, and recent rains will increase the size of the fruit, this means that this year crop could be higher than forecasted. Producer prices for 2001/02 tangerines currently are around 400 pesetas (2.40 Euros) for early Satsumas, and 625 to 725 pesetas (3.76-4.36 Euros) for Clementines per "arroba" of 12.8 kilograms. At the beginning of the previous season prices were 300-350 and 700 pesetas per "arroba", respectively.

Fresh Lemons

The 2001/02 lemon crop is estimated at 951,800 metric tons, about five percent higher than the previous year. The lemon orchards started recovering last crop after the dry years of the mid-'90s. Producer prices for 2001/02 Fino lemons currently range from 25 to 30 pesetas (0.15-0.18 Euros) per kilo compared to 40 to 60 pesetas per kilogram the previous season.

Other Fresh Citrus

Bitter oranges are the only product included under the "Other Citrus" category. The 2001/0 bitter orange output is estimated at 15,000 metric tons, slightly higher than the previous year due to the normal fluctuation in the production cycle.

Orange Juice

An estimated 700,000 metric tons, of fresh oranges were delivered to processors in 2000/01 *about the same level as during the previous year) yielding 45,500 tons of orange juice (65 Brix). Deliveries during 2001/02 are expected to be similar. In Spain, oranges are not grown specifically for juice production. Oranges for juice are primarily those that have been rejected for fresh consumption. Like the orange production, most orange juice plants are located in the Valencia region and some in Andalucia (2.9 kilograms of fresh oranges yield 1Kg of single strength orange juice, 16 kilograms yield 1 Kg. of concentrated orange juice.)

Spain's Citrus Production - 2001/02					
Metric Tons					
	Sweet Oranges	Tangerines	Lemons	Other* Citrus	TOTAL
Valencia	1,666,200	1,406,070	359,957	0	3,432,227
Murcia	145,300	32,900	410,000	0	588,200
Andalucia	814,400	125,300	169,000	15,000	1,123,700
Catalonia	56,000	74,700	1,200	0	131,900
Balearic Is.	20,000	2,000	2,000	0	24,000
Others	21,700	800	9,650	0	23,150
TOTAL	2,723,600	1,641,770	951,807	15,000	5,332,177

Includes: Bitter Oranges.

Crop Area

The data in the table below and in the PS&Ds are based on a survey taken in 1997, the last official data published. However, area under citrus production has not changed significantly in the most recent three years. Total area in the Valencia region has not changed significantly, but an increase in area planted to citrus has been noted in the Andalucia region, especially the provinces of Sevilla and Huelva. The most notable change has been a slight increase in tangerine and lemon area and a decline in that for oranges. The success of Spain's tangerine sector in recent years has led to producers replacing orange groves with tangerines. New early and late season tangerine varieties are replacing traditional varieties, as the export and domestic market pay comparatively higher prices for these types of tangerines.

Spain's Citrus Area - 1997			
Hectares			
	Sweet Oranges	Tangerines	Lemons

Spain's Citrus Area - 1997			
Hectares			
Valencia	83,828	89,516	14,225
Murcia	9,400	1,657	22,141
Andalucia	32,885	5,539	6,533
Catalonia	3,168	4,220	70
Balearic Is.	2,753	274	284
Others	997	44	282
TOTAL	133,031	101,250	43,535

Consumption

Total citrus consumption for 2001/02 is expected to be slightly higher than a year earlier, due to a steady demand of fresh fruits, which couples with promotional campaigns to increase consumption. Fresh orange consumption, accounts for 27 percent of total fruit consumed in Spain and more than half of the citrus fruit consumed. Among other citrus fruits, bitter oranges are produced mainly for processing into marmalades and other preparations. About 80 percent is used in the domestic market and the rest is exported. Faced with strong competition from other beverages, orange juice remains the favorite juice and consumption is expected to grow in 2001/02. Orange juice represents about 35 percent of the local fruit juice market. Total annual per capita consumption of orange juice is estimated at about 6 liters.

Trade

Fresh Oranges

Orange exports are estimated to have decreased during the 2000/2001 marketing year due to lower domestic supplies. During the first eight months of marketing year 2000/01 (November-2000/June-2001), orange exports totaled 1,197,048 metric tons. Based on that pace, exports are estimated to have reached about 1.4 million tons, about six percent below the previous season's exports. Exports in 2001/02 are forecast to increase slightly due to expectations for a higher crop. Spain's traditional markets are Germany, France, Netherlands, Italy and Poland. Orange exports generally begin in October and continue through the following September, with about 40 to 50 percent exported in October and December, and progressively declining thereafter.

In calendar year 2000, Spain imported 78,912 metric tons of fresh oranges, about 30 percent lower than during 1999. Spanish consumers demand fresh citrus throughout the year, and it is necessary to import oranges from other countries when the Spanish crop is over. Most of these imports were from South Africa, Uruguay, Brazil and Argentina. Imports are forecast to decrease in 2001/02 in line with the higher production expectations.

Fresh Tangerines

During the first eight months of marketing year 2000/2001 (November-2000/June-2001), tangerine exports totaled 957,955 metric tons. Based on that pace, exports are estimated to have reached about 1.1 million metric tons, about 18 percent lower than during the previous season. Due to an expected lower domestic availability, in 2001/02 exports are forecast to decrease slightly. In calendar year 2000, Spain exported 1,353,008 metric tons of tangerines, about 25 percent above the previous year. Spain's tangerine exports to the United States amounted to 78,698 metric tons, representing a 14 percent increase from the previous year's exports of 69,042 metric tons. Exports in general started earlier than during the previous campaigns due to an earlier than usual ripening of the fruit. Unfortunately due to high than usual temperatures demand does not couple with fruit availability.

Fresh Lemons

During the first eight months of marketing year 2000/2001 (November-2000/June-2001), lemon exports totaled 427,272 metric tons. Based on that pace, exports are estimated to have reached about 520,000 metric tons, about eight percent above the previous season. Due to expectations for an increase in the crop, lemon exports in 2001/02 are expected to be higher. The bulk of exports continue to be destined for other EU countries. In calendar year 2000, Spain exported 509,155 metric tons, 22 percent above the previous year. Exports to the United States in calendar year 2000 were 8,632 metric tons, almost the same as the previous year.

In calendar year 2000, Spanish lemon imports were 27,379 metric tons, 18 percent below the previous year.

Fresh Other Citrus

About 259 metric tons of bitter oranges were exported during calendar year 2000, while only 59 metric tons were imported. Trade in this product is forecast to remain minimal in 2001/02.

Orange Juice

Orange juice exports during 2001/02 are forecast to be lower than during the previous campaign. In order to be consistent with the figures in the P,S&D table where production is based on 65 degrees Brix, other figures have been estimated using this parameter. About 50 percent of the total tonnage imported is concentrated orange juice, and the remaining is "single strength," while a large percentage of orange juice exported, mainly to other EU countries, is "single strength".

Policy

E.U Regulation 1092/2001 lays down detailed rules for the application of Council Regulation 2202/96, which introduced a Community aid scheme for producers of certain citrus fruits. During the 1997/98 marketing year, the new Citrus Common Market Organization came into effect. The system provides a subsidy to growers who deliver their crops to processors, replacing the old minimum price and processing subsidy. Subsidies are only available on a fixed quantity of fruit delivered.

EU citrus processing limits for 2001/02 were lifted as follows:

Orange from 1,189,000 tons to 1,523,600

Lemons from 444,000 tons to 510,600

Tangerines from 320,000 to 384,000

Marketing

As a major citrus producer, Spain offers few opportunities for U.S. orange, tangerine or lemon exporters. Spain does play an important role as a U.S. competitor, particularly in Europe, where Spain's fruit is generally more price competitive. Potential does exist for U.S. frozen concentrated orange juice exports, but U.S. exporters would face stiff competition from other orange juice producing countries, particularly Brazil and Israel. Brazil currently dominates the import market, mainly in the form of unsweetened concentrates (6 to 1 concentration for the most part), which are blended with domestic products to improve their quality and reduce costs.

Nonetheless, U.S. citrus processors/exporters have possible market opportunities in citrus blends. Tetra-pack containers, jars, and tin cans are the principal containers used in marketing orange juice in Spain. Starting in January, import demand for juice generally runs for about 10 months, with approximately 70 percent imported between January and June.

In an effort to increase consumption and exports of oranges and clementines, about 1,410 million pesetas (1,900 million last year) will be spent in a promotional campaign. The participants are the EU; Intercitrus, which represents the citrus sector; ICEX, Spain's agency responsible for export promotion; and the Autonomous Governments of Valencia, Catalonia and Andalucia. The target of the campaign is to promote consumption of citrus based on the health benefits. The EU countries where the campaign will take place are Belgium, Netherlands, Austria, Denmark, Finland, Sweden, Ireland and Spain. The EU, Spain, Italy and Greece, as well as Intercitrus and farmer's organizations will promote consumption of citrus in Switzerland, Czech Republic and Hungary. Intercitrus together with the ICEX are working on a campaign to promote tangerines in the United States during November and December. The total cost of this campaign will be 123 million pesetas (\$676,000).

P,S & Fresh Oranges

PSD Table						
Country	Spain					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1999		11/2000		11/2001
Area Planted	136000	136000	137000	137000	0	137000
Area Harvested	122000	122000	125000	125000	0	127000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	2828	2828	1850	2688	0	2723
Imports	77	77	150	110	0	100
TOTAL SUPPLY	2905	2905	2000	2798	0	2823
Exports	1484	1484	1000	1400	0	1400
Fresh Dom. Consumption	641	641	650	700	0	753
Processing	780	780	350	698	0	670
TOTAL DISTRIBUTION	2905	2905	2000	2798	0	2823

Imports - Fresh Oranges

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Oranges		
Time period	C.Y.	Units:	Metric Tons
Imports for:	1999		2000
U.S.		U.S.	
Others		Others	
South Africa	40708	South Africa	35664
Uruguay	21153	Uruguay	10805
Brazil	15657	Brazil	9814
Argentina	14217	Portugal	5354
Netherlands	7457	Argentina	4400
Zimbabwe	3095	France	4154
France	2925	Swaziland	2178
Swaziland	2180		
Total for Others	107392		72369
Others not Listed	5593		6543
Grand Total	112985		78912

Exports - Fresh Oranges

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Oranges		
Time period	C.Y.	Units:	Metric Tons
Exports for:	1999		2000
U.S.	11785	U.S.	103
Others		Others	
Germany	273679	Germany	404482
France	240015	France	314272
Netherlands	117956	Netherlands	158553
Italy	69439	United Kingdom	105424
United Kingdom	65793	Poland	87623
Poland	68627	Belgium	68623
Belgium	57012	Italy	54963
Portugal	34923	Czech Republic	34356
Czech Republic	25341	Portugal	31131
Switzerland	18264		
Total for Others	971049		1259427
Others not Listed	124554		200827
Grand Total	1107388		1460357

P,S,&D - Fresh Tangerines

PSD Table						
Country	Spain					
Commodity	Fresh Tangerines				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1999		11/2000		11/2001
Area Planted	102500	102500	103500	103500	0	104000
Area Harvested	87500	87500	88000	88000	0	95000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	2070	2070	1560	1779	0	1650
Imports	2	2	10	7	0	10
TOTAL SUPPLY	2072	2072	1570	1786	0	1660
Exports	1400	1400	1000	1150	0	1020
Fresh Dom. Consumption	410	410	400	450	0	450
Processing	262	262	170	186	0	190
TOTAL DISTRIBUTION	2072	2072	1570	1786	0	1660

Imports - Fresh Tangerines

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Tangerines		
Time period	C.Y.	Units:	Metric Tons
Imports for:	1999		2000
U.S.		U.S.	
Others		Others	
Uruguay	872	France	779
South Africa	712	Uruguay	539
Portugal	292	Brazil	268
Brazil	242	Morocco	257
France	167	Portugal	130
Germany	165	Argentina	79
Italy	94	Denmark	71
Argentina	68		
Total for Others	2612		2123
Others not Listed	584		167
Grand Total	3196		2290

Exports - Fresh Tangerines

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Tangerines		
Time period	C.Y.	Units:	Metric Tons
Exports for:	1999		2000
U.S.	69042	U.S.	78699
Others		Others	
Germany	300221	Germany	363153
France	204875	France	241300
United Kingdom	115003	United Kingdom	139345
Netherlands	70964	Poland	102030
Poland	56624	Netherlands	88944
Belgium	33413	Italy	62236
Czech Republic	24620	Belgium	41234
Switzerland	24398	Czech Republic	34139
Austria	17096	Austria	19556
Denmark	16943	Denmark	18085
Total for Others	864157		1110022
Others not Listed	144229		164287
Grand Total	1077428		1353008

P,S & D - Fresh Lemons

PSD Table						
Country	Spain					
Commodity	Fresh Lemons				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1999		11/2000		11/2001
Area Planted	43900	43900	43500	43500	0	43000
Area Harvested	43000	43000	42500	42500	0	41500
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	892	892	912	905	0	950
Imports	27	27	30	25	0	0
TOTAL SUPPLY	919	919	942	930	0	950
Exports	484	484	480	520	0	540
Fresh Dom. Consumption	230	230	232	210	0	210
Processing	205	205	230	200	0	200
TOTAL DISTRIBUTION	919	919	942	930	0	950

Imports - Fresh Lemons

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Lemons		
Time period	C.Y.	Units:	Metric Tons
Imports for:	1999		2000
U.S.		U.S.	24
Others		Others	
Argentina	24400	Argentina	18842
Uruguay	4437	Uruguay	2189
South Africa	1385	South Africa	1796
Germany	1347	Italy	1714
Netherlands	655	France	1403
France	425		
Italy	235		
Total for Others	32884		25944
Others not Listed	445		1411
Grand Total	33329		27379

Exports - Fresh Lemons

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Lemons		
Time period	C.Y.	Units:	Metric Tons
Exports for:	1999		2000
U.S.	8142	U.S.	8632
Others		Others	
Germany	87857	Germany	102780
France	79674	France	94958
Poland	56758	Poland	71969
Italy	45180	United Kingdom	38607
United Kingdom	33608	Italy	37303
Netherlands	26140	Netherlands	31692
Switzerland	10380	Russia	23690
Belgium	9517	Belgium	12539
Total for Others	349114		413538
Others not Listed	59400		86985
Grand Total	416656		509155

P,S & D - Fresh Citrus, Other

PSD Table						
Country	Spain					
Commodity	Fresh Citrus,Other				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1999		11/2000		11/2001
Area Planted	700	700	700	700	0	700
Area Harvested	670	670	670	670	0	670
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	15	15	14	14	0	15
Imports	0	0	0	0	0	0
TOTAL SUPPLY	15	15	14	14	0	15
Exports	1	1	1	1	0	0
Fresh Dom. Consumption	0	0	0	0	0	0
Processing	14	14	13	13	0	15
TOTAL DISTRIBUTION	15	15	14	14	0	15

Imports - Fresh Citrus, Other

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Citrus,Other		
Time period	C.Y.	Units:	Tons
Imports for:	1999		2000
U.S.		U.S.	
Others		Others	
Ecuador	40	Mexico	42
Netherlands	24	Netherlands	6
France	23	France	6
Brazil	7	South Africa	2
South Africa	5		
Total for Others	99		56
Others not Listed	5		2
Grand Total	104		58

Exports - Fresh Citrus, Other

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Citrus,Other		
Time period	C.Y.	Units:	Tons
Exports for:	1999		2000
U.S.		U.S.	
Others		Others	
Italy	323	France	111
France	207	Russia	62
Netherlands	139	United Kingdom	41
Germany	30	Portugal	26
United Kingdom	20		
Total for Others	719		240
Others not Listed	17		20
Grand Total	736		260

P,S & D - Juice, Orange

PSD Table						
Country	Spain			65	Degrees Brix	
Commodity	Juice, Orange				(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1999		11/2000		11/2001
Deliv. To Processors	780	780	350	698	0	670
Beginning Stocks	1300	1	1000	1	1000	1
Production	52000	52	2300	46	0	43
Imports	32200	33	40000	35	0	35
TOTAL SUPPLY	85500	86	43300	82	1000	79
Exports	73700	74	21000	70	0	65
Domestic Consumption	10800	11	21300	11	0	13
Ending Stocks	1000	1	1000	1	0	1
TOTAL DISTRIBUTION	85500	86	43300	82	0	79

Imports - Juice, Other

Import Trade Matrix			
Country	Spain		
Commodity	Juice, Orange		
Time period	C.Y.	Units:	Metric Tons
Imports for:	1999		2000
U.S.	38	U.S.	456
Others		Others	
Brazil	4754	Germany	8843
Germany	2795	Brazil	5028
Netherlands	2144	Portugal	2165
France	1617	Netherlands	1839
Mexico	1401	France	1729
Portugal	1198		
Total for Others	13909		19604
Others not Listed	3941		3176
Grand Total	17888		23236

Exports - Juice, Orange

Export Trade Matrix			
Country	Spain		
Commodity	Juice, Orange		
Time period	C.Y.	Units:	Metric Tons
Exports for:	1999		2000
U.S.	7	U.S.	6
Others		Others	
France	39553	France	39107
Germany	5006	Germany	5404
Portugal	1850	Portugal	2062
United Kingdom	1642	United Kingdom	1234
Denmark	517	Denmark	608
Total for Others	48568		48415
Others not Listed	1995		2103
Grand Total	50570		50524